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# USAID IRAQ ADMINISTRATIVE REFORM PROJECT

MONTHLY PROGRESS REPORT, DECEMBER 2014

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Management Systems International  
Corporate Offices  
200 12th Street, South  
Arlington, VA 22202 USA

Tel: + 1 703 979 7100

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## ACRONYMS

COMSEC	Council of Ministers Secretariat
COSQC	Central Organization for Standardization and Quality Control
DGGC	Directorate General of Government Contracts
Gol	Government of Iraq
KMoLSA	Kurdistan Ministry of Labor and Social Affairs
KRG	Kurdistan Regional Government
MoA	Ministry of Agriculture
MoC	Ministry of Communication
MoCH	Ministry of Construction & Housing
MoDM	Ministry of Displacement & Migration
MoE	Ministry of Electricity
MoEd	Ministry of Education
MoEn	Ministry of Environment
MoF	Ministry of Finance
MoH	Ministry of Health
MoHE	Ministry of Higher Education
MoIM	Ministry of Industry & Minerals
MoJ	Ministry of Justice
MoLSA	Ministry of Labor & Social Affairs
MoMPW	Ministry of Municipality & Public Works
MoO	Ministry of Oil
MoP	MoP
MoT	Ministry of Trade

MoTr	Ministry of Transportation
NCMDIT	National Center for Management Development and Information Technology
NGO	Non-Governmental Organization
PMAC	Prime Minister's Advisory Council
SBDs	Standard Bidding Documents
SCOP	State Company for Oil Projects
SSN	Social Safety Net
USAID	United States Agency for International Development

## SUMMARY

With the launch of a One-Stop-Shop Service Center in Dahuk and the Social Safety Net (SSN) in the Kurdistan Region, Tarabot marked a landmark achievement in reforming the way citizens interface with their government. Through the now-concluded OSS initiative and the opening of this first center, USAID-Tarabot has set a precedent and laid key groundwork for reform that will overhaul the way citizens experience government services. Iraqis are starting to see the fruits of these labors as this service center, designed for streamlined and automated service delivery, opens its doors with others soon to follow suit. In addition to the facilities, the SSN system itself now brings simplicity and efficiency to the distribution of government social benefits for a growing number of Iraqi beneficiaries.

Tarabot has long worked to improve the capacity of the central government, line ministries, and provincial governments to undertake critical infrastructure projects including schools, hospitals, roads, electricity networks, sanitation facilities, and more. While these activities have been scaled down, and many initiatives brought to a close, Tarabot is extending its interventions in the key area of public procurement, a lynchpin for successful capital investment.

In December, 2014, Tarabot continued to provide assistance to a range of Gol partners in the application of internationally recognized procurement processes, through both hands-on training and workshops. Work is underway to broaden the precedent set by Gol partners piloting the modern procurement techniques learned from Tarabot. As a key measure of Tarabot's strategy to secure the procurement initiative's sustainability, a range of capacity building assistance is underway for the Ministry of Planning (MoP). This includes direct training, as well as by including MoP procurement officers as trainers and advisors in workshops and technical assistance provided to other Gol entities. The enthusiasm with which the ministry has taken up its role as the oversight body for procurement in Iraq is palpable and an encouraging sign for long-term sustainability.

**Events:** USAID-Tarabot project engaged in a variety of activities during December. The following breakdown accounts for the numbers and types of events:

- **Total Events:** USAID-Tarabot teams held (53) events; representing (5) workshops and (48) technical meetings. This brings the total to (114) events implemented since the beginning of the extension.
- **Locations:** (42) of these events were held at locations in Baghdad, while (11) events were delivered on location in (6) provinces.
- **Total Number of Gol officials:** a total of (70) government officials were trained representing (41) males and (29) females.
- **Institutions:** (40) of these events were with (14) ministries; (11) events supported (6) governorates. Additionally, representatives from (8) Gol executive offices participated in these events.

## ONE-STOP-SHOP SERVICE CENTER

On December 2, 2014, in a landmark achievement for service delivery reform in Iraq, the Kurdistan Ministry of Labor and Social Affairs (KMoLSA), USAID-Tarabot, and Chevron – a significant donor – held a ribbon cutting ceremony in Dohuk, opening the doors to Iraq's first One-Stop Shop Service

Center. USAID-Tarabot introduced the this model in Iraq to address the long lines and complicated procedures that have impeded public service delivery, and overhaul the way citizens experience government services. The opening sets a precedent for the One-Stop Shop model in Iraq, where interest is growing among key government entities. The ceremony was attended by the Kurdistan Minister of Labor and Social Affairs, the Governor of Dohuk, representatives of USAID-Tarabot, and other senior officials, allowing them the chance to tour the facility's efficient and modern design.

The event also marks the launch of the Social Safety Net (SSN) system in the Kurdistan Region, providing improved access to and oversight over social services. The system is now operational in the Kurdistan Region, and this particular center was designed to serve as a regional interface, providing between 150 and 300 families a day with automated and citizen-oriented processes as they register for benefits, update their information, receive payments, or obtain other services. These integrated reforms mark a new era in the way citizen's interface with their government.

Tarabot's service center design offers modern physical infrastructure and efficient automated systems to improve services, while promoting public accountability and citizen satisfaction. Tailored architectural designs have been developed for partner entities, business processes reengineered, systems automated, and over 400 individuals have been trained on customer service standards. With the ownership of the Council of Ministers Secretariat (COMSEC) and the Prime Minister's Advisory Council, an informational campaign by Tarabot, and the completion of the center in Dohuk, momentum is growing, and a widening circle of GoI entities is demonstrating interest in establishing their own service centers. At the ceremony the Minister of KMoLSA declared support for repeating this experience in Sulaymaniyah and Erbil, as well as for connecting the districts and sub-districts of the KRG to the SSN system.



*Senior KRG officials attend the opening ceremony*

In collaboration with government partners, USAID-Tarabot developed a professional, scalable architectural design of a One-Stop-Shop service center. USAID-Tarabot's design reflects the principles of linear business flow, customer comfort, and easy access for physically disabled persons. Tarabot has developed tailored two and three dimensional architectural designs for the Ministries of Municipalities and Public Works, Oil, Migration and Displaced, Labor and Social Affairs, and Justice.

To streamline processes and improve customer interactions, USAID-Tarabot worked with its government counterparts to thoroughly reengineer their often antiquated paper-based business processes. This exercise resulted in greatly improved efficiency with the design of automated customer service center software, funded by COMSEC.

USAID-Tarabot has partnered with COMSEC and PMAC to scale up the deployment of One-Stop-Shop centers across the nation. The One-Stop-Shop service center model and design was launched at a conference hosted by USAID-Tarabot and the Prime Minister's Advisory Council in April 2013, with the attendance of over four hundred officials. Following upon the conference, COMSEC issued an official endorsement of the One-Stop-Shop model to all government entities in August, 2013, encouraging them to establish these service centers as a means of reforming public administration and service delivery.

COMSEC is taking steps to make the One-Stop-Shop a reality for Iraqi citizens. Having been equipped by Tarabot with blueprints, brochures, training materials, requests for proposals, terms of reference, and a physical model, COMSEC's One-Stop-Shop committee is now prepared to support government

entities as they develop service centers. The opening of the service center in Dohuk marks the beginning of a promising new era of service delivery in Iraq.

Now launching in Kurdistan, the Social Safety Net, has already provided Iraq's 15 provinces with customized software for the automation of the distribution of benefits. With its first run the system flagged 54,000 records as suspicious, and the Ministry of Labor and Social Affairs was able to channel more than US\$20 million in savings back into the system to support more people in need.



*Tour of the facility and live demonstration*

Outside of Kurdistan, the system covers 473,407 families or 1,774,204 individuals, and the Ministry of Social Affairs uses its own staff and an allocated annual budget of \$300,000 to operate and maintain the system. The deployment of the system by the Kurdistan Regional Government is expected to provide benefits for an additional 150,000 families, or 750,000 individuals. As was the case throughout Iraq prior to the SSN, the new system will replace multiple uncoordinated, disconnected, and redundant databases in Kurdistan's provinces and link them, thereby eliminating duplicate records and ineligible payments. More of Iraq's vulnerable persons will receive monthly allowances through an efficient, fair, and transparent system.

## **PUBLIC PROCUREMENT REFORM**

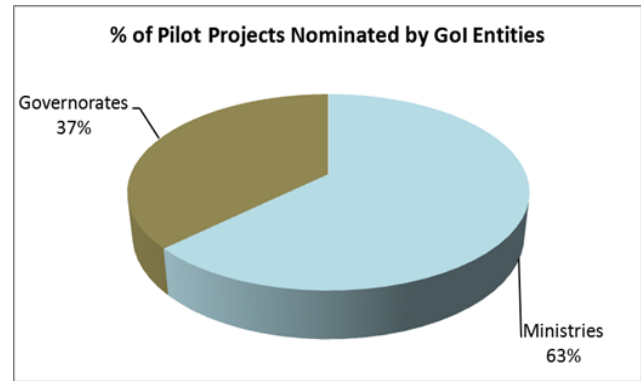
As part of its ongoing efforts to improve Iraq's service-oriented capital investments, USAID-Tarabot is partnering with the MoP to support the Government of Iraq (GoI) to make use of its investment budget through fair and transparent procurement systems. These reforms will improve service delivery by lending efficiency and transparency to the procurement process. They will help to create an environment conducive to fair and open competition in the tendering and awarding of contracts, and build the confidence of the private sector in the government's bidding process. In the past, the transparency and efficiency of government procurement has been hindered by reliance on disorganized, paper-based systems and antiquated processes. The government needs to make concrete reforms in order to bring the expertise of international firms upon which the success of complex large projects often rests. USAID-Tarabot works with the MoP to deliver complementary capacity building activities and systems reform with the ultimate goal of establishing unified procurement system aligned with international standards.

### **2.1 Capacity Building for the Ministry of Planning**

As the chief coordinating entity for public contracting in Iraq, the Ministry of Planning (MoP) has been a longstanding partner of USAID-Tarabot in procurement reform, and is positioned to take the lead on Iraq's national-level procurement reform initiative. Tarabot has taken steps to prepare the ministry to do so through knowledge transfer and anchoring of sound practices. Procurement training provided for the MoP is bolstered by hands-on experience, as MoP staff partner with Tarabot advisors to jointly conduct workshops and applied trainings for other GoI entities. These ongoing activities are important opportunities for MoP staff to garner knowledge about procurement and acquire training skills, which will be critical as the national reform process moves forward.



As part of this approach over the past month, Tarabot conducted a ten-day standard bidding document (SBD) workshop in Baghdad for **17 participants (8 males, 9 females)** from various departments of the MoP. These included representatives from the Directorate General of Government Contracts (DGGC), the National Center for Management Development and Information Technology (NCMDIT), and Central Statistical Organization. Main topics included prequalification of contracting firms, and requests for proposals. During the workshop, hands-on training was delivered on one selected project in Babil's Al Hashimiya district for construction of building for the Ministry of Planning's statistical organization's office. That project is worth 828 Million Iraqi Dinars, or about US\$725,000.



These workshops are designed to expand skills and knowledge in procurement across the GoI, while at the same time anchoring procurement expertise and training skills in the MoP as it prepares to carry on a national procurement reform initiative. This raises the number of MoP government officials trained on SBDs since the beginning of the extension to **33 (13 males, 20 females)**.

Additionally, Tarabot conducted several meetings with MoP Director General of Government Contracts, and Director of the Follow up Department to discuss visits to GoI entities that are piloting SBDs, and organizing a national conference for SBDs in Karbala. As a result, a schedule has been developed for site visits to GoI entities, tentatively beginning mid-January 2015. Tarabot is waiting for the Deputy Minister to approve the formation of the six teams that will conduct these visits. Tarabot also met with Karbala governorate Contract Manager and Governor Consultant to plan for the National SBDs Conference. Two tentative dates have been identified January 27, 2015 or February 03, 2015. An agenda and invitation list has been drafted, and the date will be finalized early in January 2015.

## 2.2 Comprehensive Procurement Reform for GoI Partners

The Ministries of Electricity, Health, Transportation, and Oil, along with the governorates of Basrah and Najaf are currently participating in Tarabot and the MoP's broader national procurement reform program.



According to the work plan agreed upon with the Ministry of Electricity, Tarabot completed a five-day procurement competency workshop for **16 participants (10 males, 6 females)**. The workshop provided participants with knowledge on applying SBDs for contracts related to supplying goods, execution of work, and prequalification. The same participants then attended a four-day advanced-level procurement workshop; where knowledge on using SBDs for electromechanical works and developing request for proposals for consultancy services was delivered.

Tarabot continued to coordinate and work with the other ministries and governorates that are participating in the program. These meetings focused on collecting relevant information for the

assessment, ahead of capacity building activities. Some meetings resulted in the completion of the assessment (i.e. Ministry of Transportation), and the establishment of a working group (i.e. Ministry of Oil/ State Company for Oil Production). Similar to the Ministry of Electricity, once the assessments are completed, an action plan will be developed for each ministry and governorate.

## 2.3 Capacity Building to GoI Entities

USAID-Tarabot and the MoP are continuing to provide regular capacity building for key partners. A five-day standard bidding documents workshop was conducted in Erbil for **28 officials (21 males, 7 females)** from the Ministry of Health. The workshop provided participants with knowledge on applying SBDs for contracts related to prequalification, supplying goods, and execution of work.



*Ministry of Planning Workshop on SBDs*

Similarly, a five-day workshop was delivered to **9 officials (2 males, 7 females)** from the Ministry of Communication, focusing on 2014 government contracting regulations. These activities raised the number of government officials trained on SBDs since the beginning of the extension to **171 (119 male, 52 female)**.

In the month of December, the Ministries of Culture, Higher Education, Justice, Oil and Transportation, as well as the Governorates of Baghdad and Basrah nominated pilot projects for the application of SBDs. The Ministries of Construction and Housing and Planning have extended the number of proposed pilot projects. As a result, **23 GoI entities** have nominated a total of **108** procurement contracts on which to pilot the SBDS, from which Tarabot and MoP will soon select projects on which they will focus their technical assistance. With the growing capacity of the MoP, and its demonstrated ownership over the initiative, a sustainable foundation for transformational reform is rapidly becoming a reality.



*SBDs Workshop for Ministry of Health staff*

## 2.4 Oil Sector Assessment

Based on USAID's instructions, USAID-Tarabot began preparation for a comprehensive study on the oil sector, and is taking steps to assemble a team of expatriate and Iraqi oil sector experts for this initiative. A retired senior government official, who is currently working in the private sector as a consultant, has expressed interest in joining the team. His years of experience in the Iraqi oil sector will be key in identifying bottlenecks in oil production and proposing strong solutions. Several expatriate advisors have been identified and are currently being vetted by Tarabot's DC-based support staff.

Moving forward with this initiative, Tarabot held meetings Ministry of Oil/ State Company for Oil Projects (SCOP). One of the meetings was with the Director of Follow up department and Assistant Director General. The meeting focused on the problems and challenges in implementing projects by SCOP. A list of the problems and challenges will be prepared by SCOP, where Tarabot will assist in assessing needs and proposing solutions.

## **2.5 Procurement Portal**

Upon receiving formal instructions from USAID to cease activities related to the procurement portal, Tarabot communicated this development to the MoP and terminated contracts of relevant staff.

# PROJECT ADMINISTRATION

## Staffing, Deployment, Registration

In December, 2014 the USAID-Tarabot staff was composed of three (3) expatriates and 25 Iraqi nationals. Two (2) of the expatriate staff were in Iraq on an STTA basis. In January, Tarabot staff will continue to work based on the procurement-related extension from USAID.

## Security

In December 2014 the security situation in Iraq was tense, with ongoing fighting in the north and west of Iraq and continued explosions and attacks in Baghdad. The Arbreen holiday and accompanying pilgrimage disrupted travel and shut down movements for several days. Tarabot staff worked normally and did not take additional holidays.

## Badges/ Visas

December was marked by a significant change to visa usage procedures. Visas must be used within 90 days of issuance no matter the period of validity on the visa itself. Previously, year-long visas could be used to enter the country up to one year after they were issued. This change will result in an increased number of visa applications in order for Tarabot to stay flexible and responsive. An updated visa request was made this month that included relevant Tarabot staff, DC-based support staff STTA, and identified potential future staff members.